



**CONTAINER CORPORATION  
OF AMERICA  
CHICAGO, ILLINOIS**



**Annual Report**

**FISCAL YEAR ENDING  
DECEMBER 31, 1930**

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OF AMERICA  
CHICAGO, ILLINOIS**

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**Annual Report**

**FISCAL YEAR ENDING  
DECEMBER 31, 1930**

**March 6, 1931**

**CONTAINER CORPORATION  
OF AMERICA  
CHICAGO, ILLINOIS**

March 6, 1931.

To the Stockholders of  
Container Corporation of America:

We are submitting herewith consolidated balance sheet and summary of consolidated profit and loss and surplus accounts of Container Corporation of America and subsidiaries as of December 31, 1930.

From the balance sheet you will note that your Company has a 3.91 to 1 ratio of current assets to current liabilities. The accounts and notes receivable alone are in excess of all current liabilities.

During the year certain Class A and Class B Common shares of the Corporation were acquired. The Directors have suggested that these shares, in addition to the 3389 shares of Class A Common Stock in the treasury as of January 1, 1930, be retired at the special meeting of the stockholders on March 26th.

Our capital expenditures, made in the plants owned on January 1st of last year, aggregated approximately \$320,000.00; these were mostly additions and improvements in equipment. In addition thereto about \$2,300,000.00 was added to our fixed asset investment account through the acquisition of the properties of the Sefton Manufacturing Corporation, Dixon

Board Mills, Inc., and Gibraltar Corrugated Paper Company, Inc. Upwards of \$500,000.00 was spent on repair and maintenance work during the year and charged against profit and loss. Also a depreciation charge of \$826,447.33 was taken.

The bonds and debentures of the parent company were reduced by \$275,000.00. Some subsidiary company bonds were assumed in connection with the acquisition of the Carthage, Ind., and Gibraltar properties, with the net result that our funded indebtedness shows an increase of \$35,125.00. Additional shares of Preferred and Class A Common Stocks were issued for the Sefton, Dixon and Gibraltar acquisitions. The necessary First Mortgage Bonds and Debenture Bonds of the parent company are in the treasury for full sinking fund requirements for 1931 and for a part of the requirements for 1932. During the year Preferred and Class A Common Stock dividends, and a small premium on Preferred Stock purchased for retirement, were paid, in the aggregate amount of \$588,156.65, thereby reducing our surplus, as of December 31, 1930, to \$722,941.42.

The earnings of the Corporation were fairly satisfactory during the first ten months of the year, considering general business conditions and, particularly, the very acute competitive situation in the paperboard and container industry. During the last two months of the year, however, prices and volume were so unsatisfactory that a profitable operation was impossible. Immediately at that time the management undertook steps to bring about additional and significant cost reductions, primarily in its administrative and distributing expenses, as well as in plant operations. At the present time these savings will exceed \$400,000.00 per annum, and further reductions are being and will continue to be made as business conditions may require and dictate.

The executive organization is fully conscious of its obligations to the stockholders of the Corporation, and is equally cognizant of the important and difficult task confronting any corporation during present business conditions. The paper-board industry has a difficult year ahead of it, with which our present organization is prepared and able to cope.

Respectfully submitted on behalf of the Officers and the Board of Directors.

WALTER P. PAEPCKE,  
*President.*

# CONTAINER CORPO AND SUBSIDI

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Consolidated Balance Sh

## ASSETS

### Current Assets:

Cash.....	\$ 222,144.20
Accounts and notes receivable less reserves	1,149,293.68
Inventories—certified by the management as to quantities and condition, priced at cost or market whichever lower.....	<u>2,658,541.38</u>
Total Current Assets.....	\$ 4,029,979.26

OTHER NOTES AND ACCOUNTS.....	172,861.55
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### COMMON STOCK HELD IN TREASURY:

Class A 22,873 shares .....	\$ 428,967.25
Class B 5,900 shares .....	<u>51,484.54</u>

### Plant and Equipment:

At cost based on appraisals at various dates:

Land .....	\$ 3,330,543.69
Buildings including leasehold improvements.....	8,118,987.97
Machinery and equipment .....	12,270,277.72
Furniture and fixtures.....	<u>65,404.92</u>
Together.....	\$23,785,214.30
Less—Reserve for depreciation .....	<u>3,579,910.08</u>
	20,205,304.22

DEFERRED CHARGES TO FUTURE OPERATIONS .....	844,017.79
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ORGANIZATION EXPENSE.....	49,735.04
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GOODWILL.....	1.00
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\*\*Surplus of the parent company (\$363,322.78) not  
available for dividends until common stock held  
in treasury is cancelled by action of the stock-  
holders.

\$25,782,350.65

NOTE: Merchandise in transit (\$144,956.44) has not

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**ORATION OF AMERICA  
IARY COMPANIES**

*(ware Corporation)*

Sheet—December 31, 1930

**LIABILITIES AND NET WORTH**

**Current Liabilities:**

Accounts payable.....	\$ 574,221.54
Interest, wages, taxes, etc., accrued.....	345,397.32
Current maturities of funded debt of Dixon Board Mills, Inc., and Gibraltar Corrugated Paper Company.....	<u>111,500.00</u>
Total Current Liabilities.....	\$ 1,031,118.86

**RESERVE FOR CONTINGENCIES.....** 81,622.71

**FUNDED OBLIGATIONS** (less current maturities above and amounts purchased in anticipation of Sinking Fund requirements):

Container Corporation of America— First mortgage sinking fund 6% bonds, due June 15, 1946 .....	\$ 3,964,500.00
Fifteen year 5% debentures, due June 1, 1943 .....	5,249,000.00
Dixon Board Mills, Inc.— First mortgage 6% gold bonds.....	291,500.00
Gibraltar Corrugated Paper Company— Second mortgage .....	<u>18,625.00</u> 9,523,625.00

**Net Worth:**

**PREFERRED STOCK**—authorized 150,000  
shares—

Original Series—7% cumulative (sinking fund)—issued 25,000 shares; re-tired 7,500; outstanding 18,000..... \$ 1,800,000.00

Second Series—7% cumulative—issued 3,200 shares; in treasury 500; outstanding 2,700..... 270,000.00

**COMMON STOCK—**

\*Class A—authorized 2,000,000 shares par value \$20.00 — issued 396,428 shares 7,928,560.00

Class B—authorized 1,200,000 shares of no par value—issued 584,089 shares

..... \$ 5,585,307.69

Less—Goodwill and patents  
..... 1,160,825.03 4,424,482.66

Together .....

\*\*Surplus as per accompanying summary 722,941.42 15,145,984.08

\*There are outstanding certain stock purchase warrants covering options on Class A Stock at prices of \$30.00 and \$20.00 per share expiring June 1, 1935 and June 15, 1931 respectively.

\$25,782,350.65

not been included in the inventories or in the liabilities.

**CONTAINER CORPORATION  
OF AMERICA  
AND SUBSIDIARY COMPANIES**

**Summary of Consolidated Profit and Loss  
for the Year Ended December 31, 1930**

**Particulars**

	<i>Amount</i>
<b>NET PROFIT FROM SALES</b>	
After deducting cost of sales including raw materials, labor and overhead exclusive of depreciation, and selling and administrative expenses . . . . .	\$ 1,400,022.26
<b>DEDUCT—PROVISION FOR DEPRECIATION</b> . . . . .	826,447.33
	<hr/>
	\$ 573,574.93
<b>ADD—MISCELLANEOUS INCOME</b> including \$47,970.00 of dis- count on bonds and debentures purchased for the sinking fund . . . . .	200,165.43
	<hr/>
	\$ 773,740.36
<b>DEDUCT—INTEREST CHARGES AND DISCOUNT ON BONDS AND DEBENTURES</b> . . . . .	623,173.20
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Net profits before deducting losses on disposition of capital assets and Federal income taxes . . . . .	\$ 150,567.16
<b>DEDUCT—LOSSES ON DISPOSITION OF CAPITAL ASSETS</b> . . . . .	30,634.26
	<hr/>
	\$ 119,932.90
<b>DEDUCT—PROVISION FOR FEDERAL INCOME TAXES</b> . . . . .	14,766.32
	<hr/>
Surplus net profits . . . . .	<u>\$ 105,166.58</u>

**CONTAINER CORPORATION  
OF AMERICA  
AND SUBSIDIARY COMPANIES**

**Summary of Consolidated Surplus Accounts  
for the Year Ended December 31, 1930**

BALANCE JANUARY 1, 1930.....	\$ 1,205,931.49
ADD—SURPLUS NET PROFITS FOR THE YEAR 1930.....	<u>105,166.58</u>
	\$ 1,311,098.07
DEDUCT—DIVIDENDS PAID:	
7% Preferred Stock..... \$132,364.75	
Class A Common Stock..... 453,705.90	<u>      </u>
	\$586,070.65
Premiums on Preferred Stock.	<u>      </u>
	2,086.00
	<u>      </u>
	588,156.65
BALANCE AT DECEMBER 31, 1930.....	<u>      </u>
	\$ <u>722,941.42</u>

**ARTHUR ANDERSEN & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**ONE LA SALLE STREET BUILDING**  
**CHICAGO**

*Auditors' Certificate*

**TO THE PRESIDENT AND BOARD OF DIRECTORS OF  
CONTAINER CORPORATION OF AMERICA:**

We have examined the accounts of CONTAINER CORPORATION OF AMERICA (a Delaware corporation) and its subsidiary companies, for the year ended December 31, 1930 and certify that, in our opinion, the accompanying consolidated balance sheet and summary of consolidated profit and loss and surplus accounts fairly present the financial position of the companies and the results of their operations for the year ended that date.

ARTHUR ANDERSEN & Co.



Chicago, Illinois,  
March 3, 1931.

**CONTAINER CORPORATION  
OF AMERICA  
CHICAGO, ILLINOIS**

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*Directors*

**F. G. BECKER, Chicago, Ill.**

**J. P. BRUNT, Chicago, Ill.**

**E. R. HANKINS, Chicago, Ill.**

**JOHN JACOBS, Philadelphia, Pa.**

**WESLEY M. DIXON, Chicago, Ill.**

**R. L. McCLELLAND, Chicago, Ill.**

**WALTER P. PAEPCKE, Chicago, Ill.**

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*Officers*

*President*

**WALTER P. PAEPCKE**

*Executive Vice-President*

**J. P. BRUNT**

*Vice-Presidents*

**WESLEY M. DIXON**

**E. R. HANKINS**

**F. G. BECKER**

*Treasurer*

**J. L. SCHOOLEY**

*Secretary*

**H. D. DAVIS**

# CONTAINER CORPORATION OF AMERICA CHICAGO, ILLINOIS

## *Transfer Agent*

FIRST UNION TRUST AND SAVINGS BANK  
Chicago, Ill.

CITY BANK FARMERS TRUST COMPANY  
New York, N. Y.

## *Registrar*

CONTINENTAL ILLINOIS BANK AND TRUST COMPANY  
Chicago, Ill.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK  
New York, N. Y.

## *Plant Operations*

### *Mills*

CHICAGO, ILL. (Two)  
CARTHAGE, IND.  
KOKOMO, IND.

CINCINNATI, OHIO  
CIRCLEVILLE, OHIO  
PHILADELPHIA, PA.

### *Factories*

CHICAGO, ILL. (Two)  
ANDERSON, IND. (Two)  
CLEVELAND, OHIO  
CINCINNATI, OHIO  
NATICK, MASS.

HUNTINGTON, W. VA.  
CHARLESTON, W. VA.  
PHILADELPHIA, PA.  
BRIDGEPORT, CONN.  
NORTH BERGEN, N. J.

## *Branch and Sales Offices*

CHICAGO, ILL.  
LOS ANGELES, CALIF.  
NORTH BERGEN, N. J.  
SAN FRANCISCO, CALIF.  
INDIANAPOLIS, IND.  
DETROIT, MICH.  
CLEVELAND, OHIO

CINCINNATI, OHIO  
PITTSBURGH, PA.  
PHILADELPHIA, PA.  
NEW YORK, N. Y.  
BRIDGEPORT, CONN.  
NATICK, MASS.  
JACKSONVILLE, FLA.

WINTER HAVEN, FLA.

## *Subsidiary Companies*

MID-WEST BOX COMPANY  
SEFTON CONTAINER CORPORATION  
DIXON BOARD MILLS, INC.  
CHICAGO MILL PAPER STOCK COMPANY  
PIONEER PAPER STOCK COMPANY